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UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

NOV 02 2018

CLERK, U.S. DISTRICT COURT
ST. PAUL, MINNESOTA

IN THE MATTER OF THE TAX)
 INDEBTEDNESS OF:)
)
 Royce R. Kantola & Heidi J. Kantola)
 10307 Thomas Ave. S.)
 Bloomington, MN 55431)
)
 COUNTY OF HENNEPIN)
 STATE OF MINNESOTA)

Case No. 18-mj-871 BRT

AFFIDAVIT OF REVENUE OFFICER KRISTA SULLIVAN

Revenue Officer Krista Sullivan, having been first duly sworn, states as follows:

1. I am a Revenue Officer employed in the Small Business/Self Employed Operating Division of the Internal Revenue Service, Department of the Treasury. As a Revenue Officer, I have the duty and authority to collect federal taxes by seizure and sale under the Internal Revenue Code, 26 U.S.C. § 6331.
2. Assessments of tax, penalty and interest for the following periods have been made against Royce R. Kantola and Heidi J. Kantola, on the dates and in the amounts set forth below:

Form	Tax Period	Assessment Date	Unpaid Balance of Assessment	Statutory Additions	Total
1040	12/31/2008	6/22/2009	\$10,688.54	\$2,398.48	\$13,087.02
1040	12/31/2009	5/24/2010	\$43,038.20	\$4,587.75	\$47,625.95
1040	12/31/2010	5/30/2011	\$20,910.73	\$2,229.00	\$23,139.73
1040	12/31/2011	5/28/2012	\$67,017.27	\$7,143.81	\$74,161.08
1040	12/31/2012	5/27/2013	\$33,753.41	\$7,313.18	\$41,066.59
1040	12/31/2013	6/2/2014	\$15,681.63	\$3,181.23	\$18,862.86
1040	12/31/2015	6/20/2016	\$10,076.06	\$2,546.17	\$12,622.23

3. The assessments set forth above were made pursuant to 26 U.S.C sections 6201, 6203, and 6303, the first notice and demand for payment was given to the taxpayers prior to or on the date that is 60 days after the date upon which each amount was assessed, as set forth above.

4. Royce R. Kantola and Heidi J. Kantola have neglected or refused to pay the full amount of the tax assessed within 10 days after such notice and demand, and this neglect or refusal continues.

5. There is now due and owing and unpaid with respect to such tax, penalty and interest, a total amount of \$293,017.36 (calculated through 10/10/2018).

6. By reason of the assessment, a lien has arisen on all property and rights to property of said taxpayer as prescribed by IRC Sections 6321 and 6322.

7. By reason of the taxpayer's neglect and failure to pay such tax within 10 days after notice and demand, a levy may be made on all property and rights to property belonging to the taxpayer or to which the federal tax lien attaches.

8. Notices of intention to levy and collection due process notices, as required by IRC sections 6330 and 6331(d), were provided to the taxpayers on the following dates:

Form	Tax Period	Method	Date
1040	12/31/2008	Certified Mail	8/31/2015
1040	12/31/2009	Certified Mail	8/31/2015
1040	12/31/2010	Certified Mail	8/31/2015
1040	12/31/2011	Certified Mail	8/31/2015
1040	12/31/2012	Certified Mail	8/31/2015
1040	12/31/2013	Certified Mail	8/31/2015
1040	12/31/2015	Hand Delivered	2/22/2017

9. The taxpayers did not exercise their Collection Due Process rights on any of the tax periods.

10. Notices of Federal Tax Lien were filed in Hennepin County on 9/1/2009, 3/29/2011, 6/3/2014, 9/13/2016, and 8/1/2017.

11. Taxpayers are husband and wife, each of whom own a Schedule C small business. Royce Kantola operates a floor sanding business and Heidi Kantola operates an IT consulting business.

12. Based on my interaction with the Taxpayers, I know that they are motorcycle enthusiasts. I conducted searches of public record and learned that Heidi Kantola has had a motorcycle endorsement since 2003, and Royce Kantola since 2002. State DMV records show that Taxpayers own four Harley Davidson touring motorcycles, purchased on 8/8/2007, 6/4/2009, 4/10/2011, and 3/31/2012. The vehicle identification numbers for the motorcycles are 1HD4CEM15LY120731, 1HD1FHR15WY621059, 1HD1GDV182Y323689, and 1HD1BW5177Y086825. On October 10, 2018, I confirmed via the Minnesota State DMV online records that the motorcycles are currently registered to Taxpayers through February 2019. As a result, Taxpayers have owned these vehicles for the past 6-11 years.

13. The assets located within the premises that are the subject of seizure are these four Harley Davidson motorcycles, which are stored in the taxpayer's garage at 10307 Thomas Ave. S. Bloomington, MN 55431. I know the above information because I viewed and photographed the assets at initial contact in the field on 2/22/2017.

14. As of September 27, 2018, Accurint indicates that the only property owned by

taxpayers is their personal residence. This residence was purchased by the taxpayers in 1992 and was verified online on the Hennepin County Real Property Records on September 27, 2018.

15. Based on researching similar models of the motorcycles on cycletrader.com, I estimate the value of the property to be in excess of \$20,000. The estimated costs of this seizure are \$500. Seizure of such assets would not be an uneconomical levy.

16. Seizure is the only remaining solution to collect the amounts owed to the United States. Alternative remedies including third-party levies have not been successful, as the taxpayers have bank accounts only in the business names. Taxpayers requested an installment agreement, which was reviewed and rejected due to the equity the taxpayers have in their assets and a higher ability to pay than requested. Taxpayers have made self-determined interim payments totaling \$17,500 from October 30, 2017 through July 13, 2018, but are not on a formal payment plan.

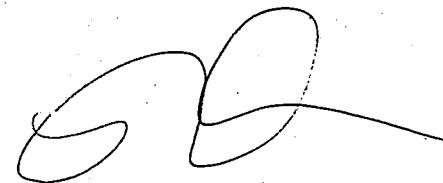
17. Due to the high probability the assets can be moved ahead of seizure, I have not

requested permission to enter the premises for the purpose of levying property under section 6331 of the Code.



Krista Sullivan
Revenue Officer
Internal Revenue Service

Sworn and subscribed before me
On this the 17 day of October, 2018



The Honorable Becky R. Thorson
United States Magistrate Judge